

UNITED STATES

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

FORM APPROVED
OBM NO. 1904-0136
EXP. DATE: February 28, 1999

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL

GAS

WELL ☒

WELL ☐

OTHER

SINGLE

ZONE ☒

MULTIPLE

ZONE ☐

2. NAME OF OPERATOR

Shenandoah Energy Inc.

3. ADDRESS AND TELEPHONE NO. Phone: 435-781-4341

Fax: 435-781-4329

11002 East 17500 South

Vernal, Utah 84078

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

593' FEL, 1755' FNL, SENE

At proposed prod. Zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

2 miles South West of Redwash Utah

15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST

593' ±

PROPERTY OR LEASE LINE, FT.
(Also to nearest strip. Unit line if any)

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING COMPLETED,
OR APPLIED FOR ON THIS LEASE, FT.

1000' ±

16. NO. OF ACRES IN LEASE

1920

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40

19. PROPOSED DEPTH

5764'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether SF, RT, GR, etc.)

5557.7'

22. APPROX. DATE WORK WILL START*

A.S.A.P

23. PROPOSED CASING AND CEMENTING PROGRAM

REFER TO S.O.P

Shenandoah Energy Inc. proposes to drill a well to 5764' to test the Green River. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements.

Operations will be according to the Standard Operating Procedures for the Redwash Unit, Wonsits Valley Federal Unit and surrounding areas Green River Wells.

See Onshore Order No. 1 attached.

Please be advised that Shenandoah Energy Inc. is considered to be the operator of the above mentioned well. Shenandoah Energy Inc. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond coverage for this well is provided by Bond No. 0969. The principal is Shenandoah Energy Inc. via surety as consent as provided for in 43 CFR 3104.2.

CONFIDENTIAL

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program if any.

24

SIGNED

John Busch

John Busch

TITLE Red Wash Operations Representative

DATE

11/16/00

(This space for Federal or State office use)

PERMIT NO.

43042-33770

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal title to these rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

Bradley G. Hill

BRADLEY G. HILL
RECLAMATION SPECIALIST III

DATE

12/6/00 NOV 21 2000

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

DIVISION OF
OIL, GAS AND MINING

T7S, R23E, S.L.B.&M.

SHENANDOAH ENERGY, INC.

WELL LOCATION, RED WASH #42-29B,
LOCATED AS SHOWN IN THE SE 1/4 NE 1/4
OF SECTION 29, T7S, R23E, S.L.B.&M. UTAH
COUNTY, UTAH.

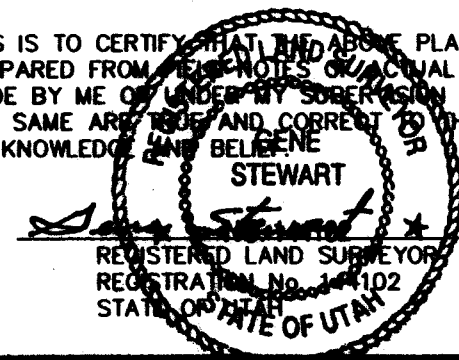
RECEIVED

NOV 21 2000

DIVISION OF
OIL, GAS AND MINING



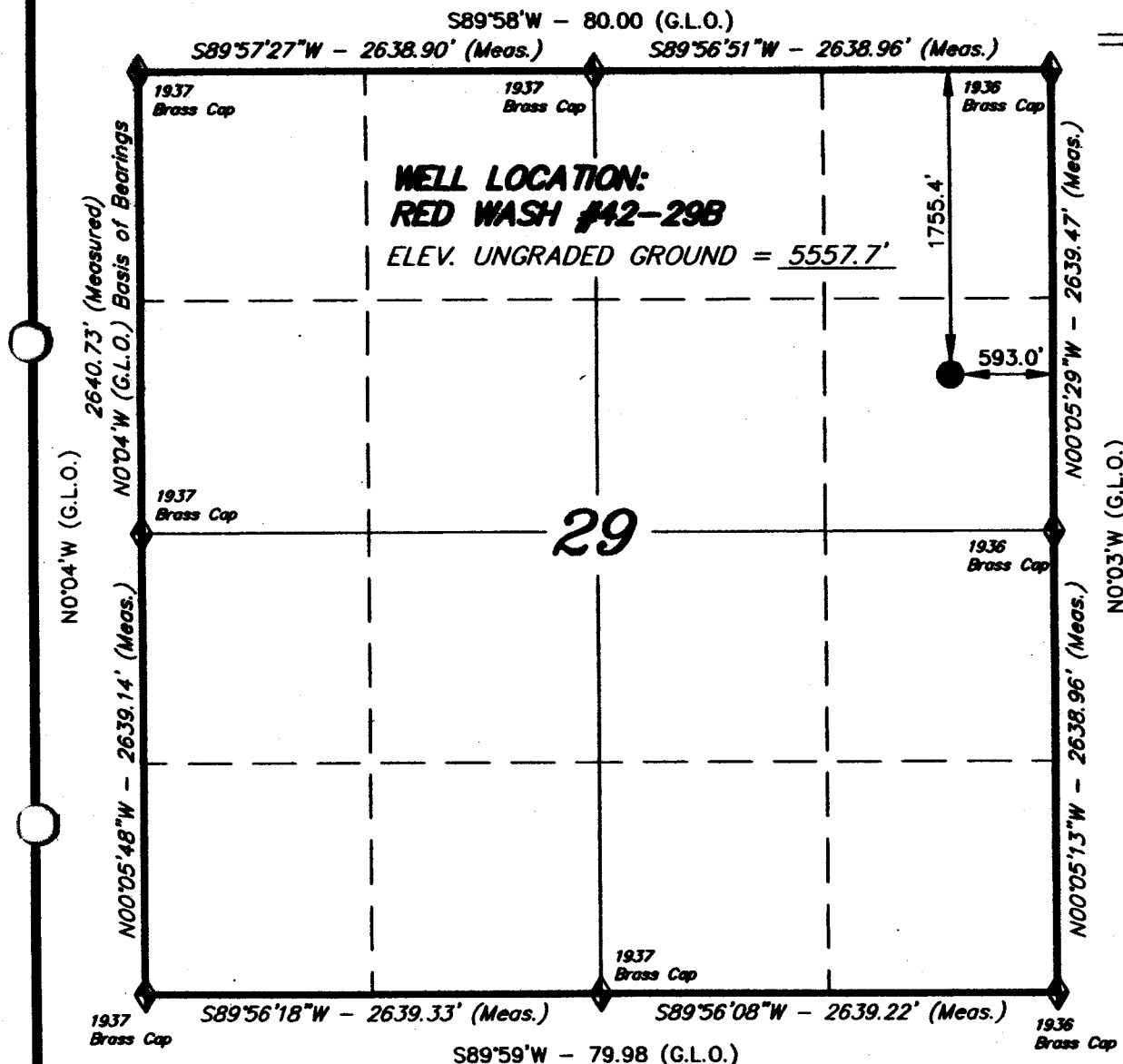
THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS
PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS
MADE BY ME OR UNDER MY SUPERVISION AND THAT
THE SAME ARE TRUE AND CORRECT TO THE BEST OF
MY KNOWLEDGE AND BELIEF.



TRI STATE LAND SURVEYING & CONSULTING

38 WEST 100 NORTH - VERNAL, UTAH 84078
(435) 781-2501

SCALE: 1" = 1000'	SURVEYED BY: C.D.S.
DATE: 11-2-00	WEATHER: COOL
DRAWN BY: J.R.S.	FILE #



DRILLING PROGRAM

ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. Formation Tops

The estimated tops of important geologic markers are as follows:

<u>Formation</u>	<u>Depth</u>	<u>Prod. Phase Anticipated</u>
Uinta	Surface	
Green River	3064'	
Mahogany Ledge	3859'	
Mesa	5589'	
TD (Green River)	5764'	Oil

2. Anticipated Depths of Oil Gas Water and Other Mineral Bearing Zones

The estimated depths at which the top and bottom of the anticipated water, oil, gas. Or other mineral bearing formations are expected to be encountered are as follows:

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Oil/Gas	Green River	5764'

All fresh water and prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

All water shows and water-bearing sands will be reported to the BLM in Vernal, Utah. Copies of State of Utah form OGC-8-X are acceptable. If no flows are detected, samples will be submitted to the BLM along with any water analyses conducted.

3. Anticipated Bottom Hole Pressures

Maximum anticipated bottom hole pressure equals approximately 2305.6 psi.

4. Surface Ownership

The well pad and access road are located on lands owned by the Federal Government.

RECEIVED

NOV 21 2000

DIVISION OF
OIL, GAS AND MINING

Shenandoah Energy Inc.
RWU #42-29B

MULTI-POINT SURFACE USE & OPERATIONS PLAN

SHENANDOAH ENERGY INC.
REDWASH #42-29B
SENE, SEC. 29, T7S, R23E, SLB&M
UINTAH COUNTY, UTAH

1. Site Specific Stipulations

As per the onsite on November 15 with Greg Darlington Vernal BLM, Byron Tolman Vernal BLM, Raleen Searle Shenandoah Energy Inc., John Busch Shenandoah Energy Inc. The following stipulations were determined:

There is a burrowing owl stipulation if drilling is to take place after April 10 if nest is inactive during that time than drilling may take place after the end of May. If the nest is active than no drilling can take place between April 10 - end of July. There will be a seed mix of 12lbs per acre consisting of:

4lbs per acre – Fourwing Saltbush

4lbs per acre – Shadscale

4lbs per acre – Gardner Saltbush

2. Other Information

Refer to the attached maps:

Topo map A- Access routes

Topo map B- Proposed Access road

Topo map C- Location of wells within a one mile radius

Topo map D- Proposed pipeline

RECEIVED

NOV 21 2000

DIVISION OF
OIL, GAS AND MINING

Lessee's or Operator's Representative:

John Busch
Red Wash Operations Rep.
Shenandoah Energy Inc.
11002 East 17500 South
Vernal, Utah 84078
(435) 781-4341

Certification:

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil & Gas Orders, the approved plan of operations, and any applicable Notice to Lessees.

Shenandoah Energy Inc. will be fully responsible for the actions of their subcontractors.

A complete copy of the approved Application for Permit to Drill will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Shenandoah Energy Inc. its' contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

John Busch
John Busch
Red Wash Operations Representative

November 16, 2000

Date

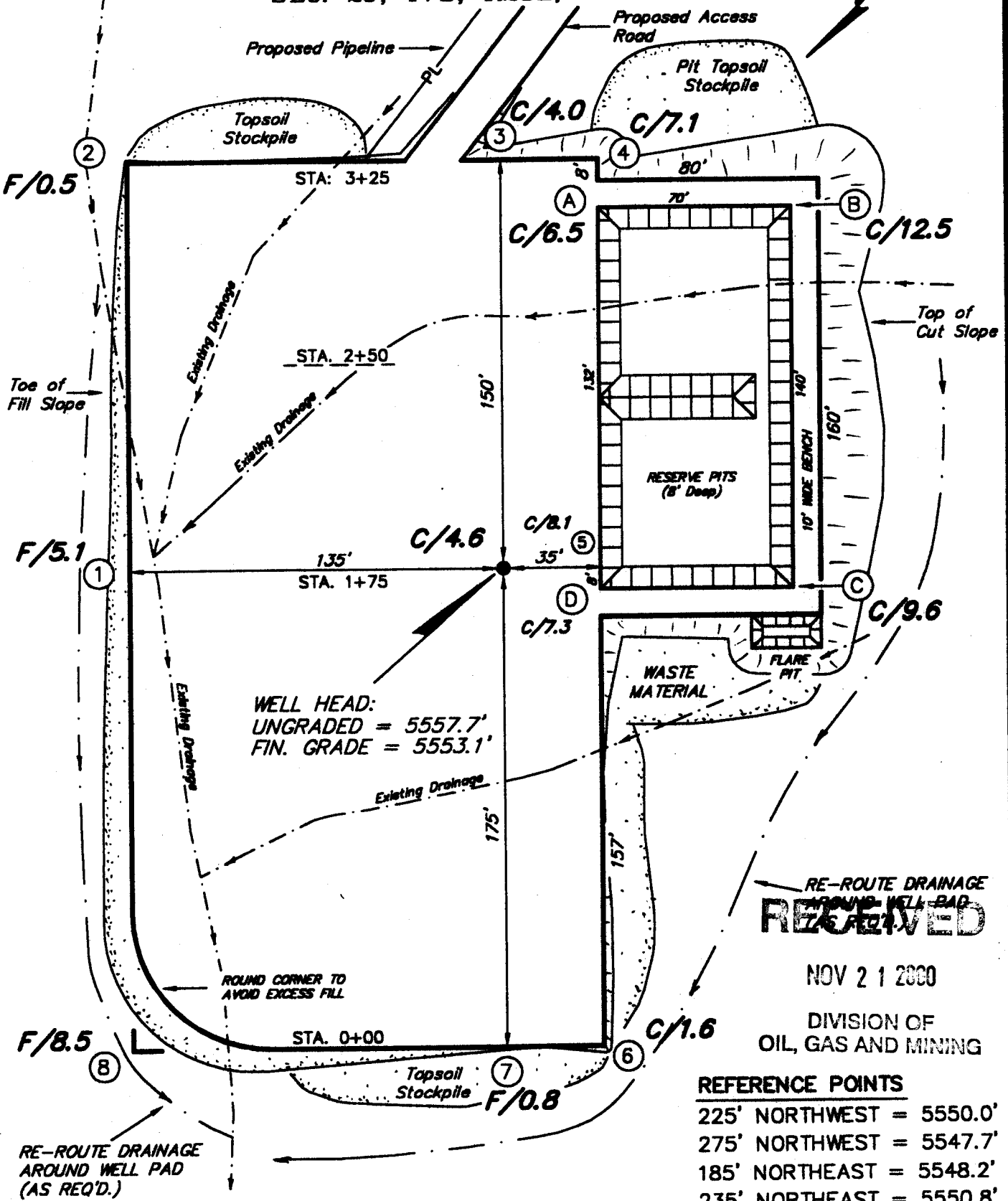
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NOV 21 2000

DIVISION OF
OIL, GAS AND MINING

SHELDON AND OH ENERGY, INC.

RED WASH #42-29B
SEC. 29, T7S, R23E, S.L.B.&M.



RE-ROUTE DRAINAGE
AROUND WELL PAD
RECEIVED

NOV 21 2000

DIVISION OF
OIL, GAS AND MINING

REFERENCE POINTS

225' NORTHWEST = 5550.0'
275' NORTHWEST = 5547.7'
185' NORTHEAST = 5548.2'
235' NORTHEAST = 5550.8'

SURVEYED BY: C.D.S.

SCALE: 1" = 50'

DRAWN BY: J.R.S.

DATE: 11-2-00

Tri State
Land Surveying, Inc.

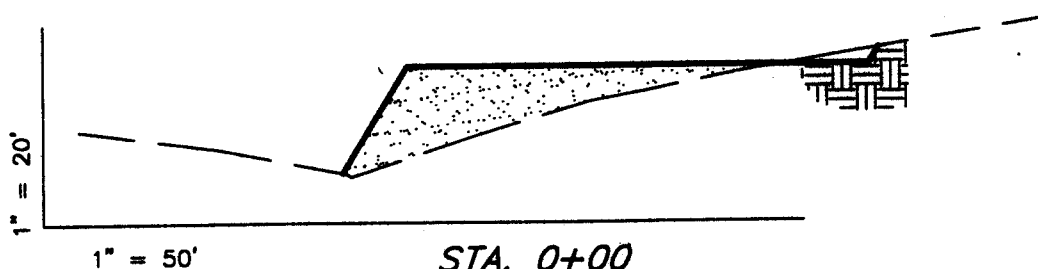
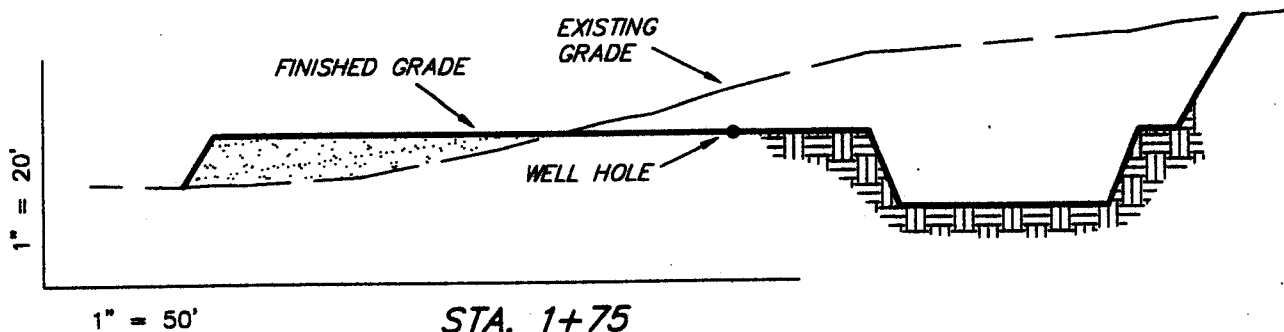
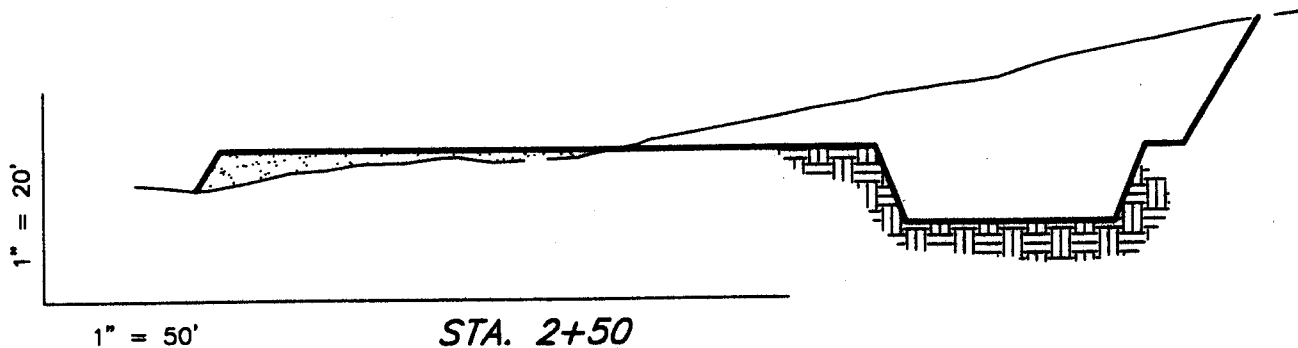
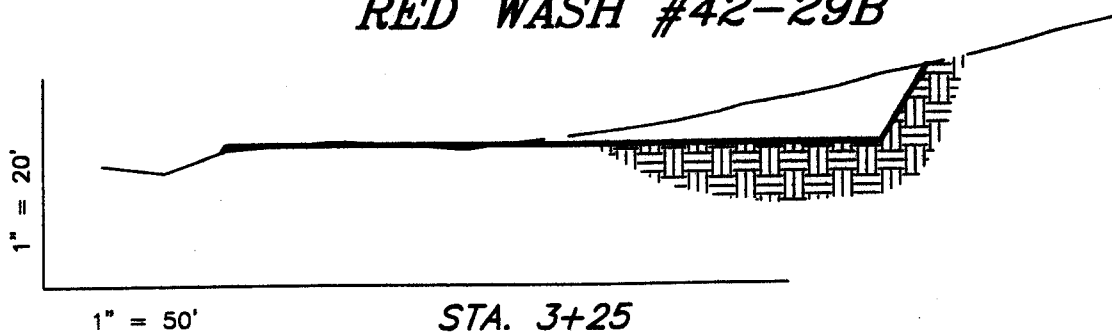
38 WEST 100 NORTH VERNAL, UTAH 84078

(435) 781-2501

STENANDOAH ENERGY INC.

CROSS SECTIONS

RED WASH #42-29B



APPROXIMATE YARDAGES

CUT = 6,150 Cu. Yds.

FILL = 6,150 Cu. Yds.

PIT = 2,370 Cu. Yds.

6" TOPSOIL = 1,260 Cu. Yds.

RECEIVED

NOV 21 2000

DIVISION OF
OIL, GAS AND MINING

SURVEYED BY: C.D.S.

SCALE: 1" = 50'

DRAWN BY: J.R.S.

DATE: 11-2-00

Tri State
Land Surveying, Inc.

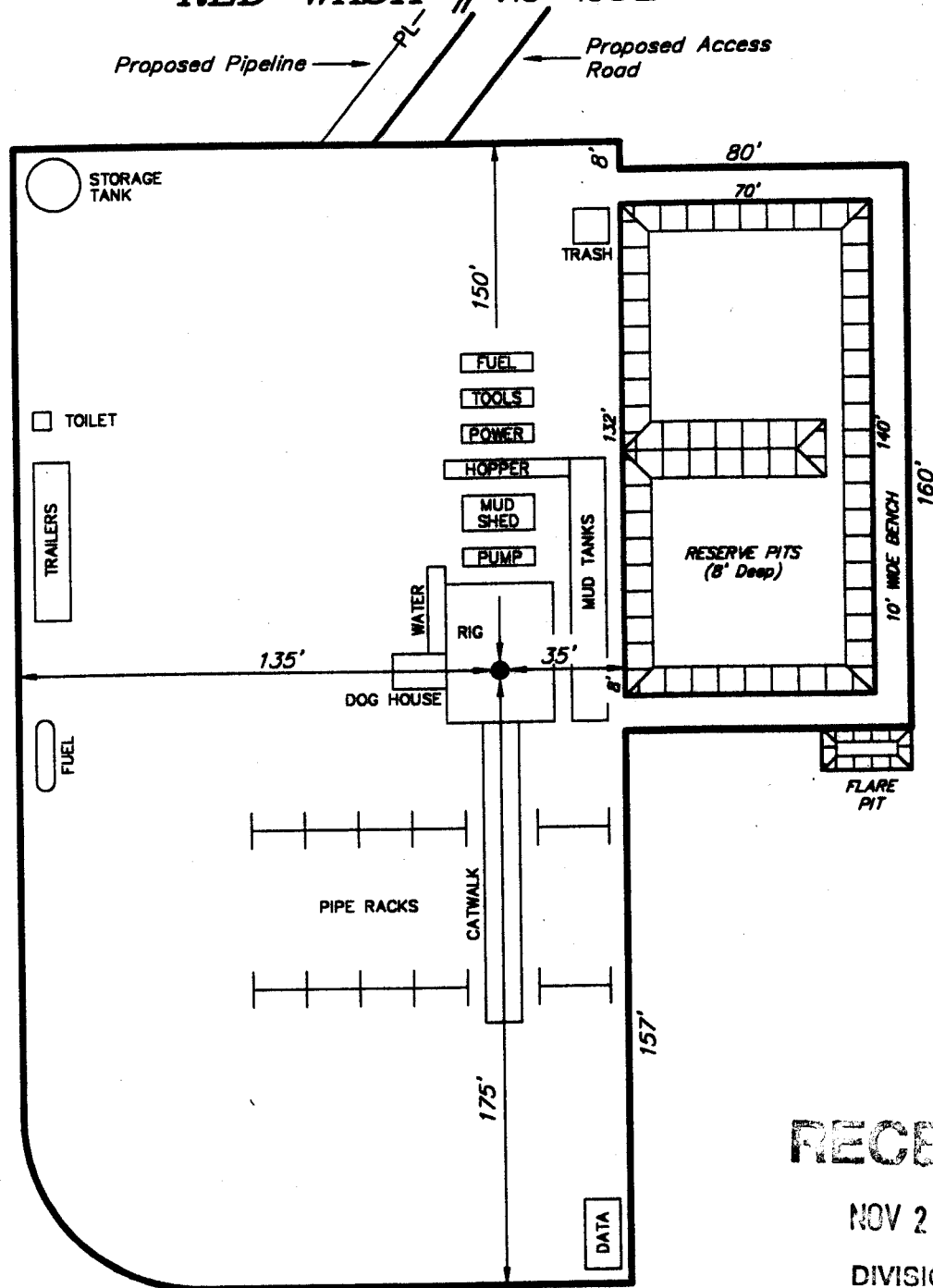
(435) 781-2501

38 WEST 100 NORTH VERNAL, UTAH 84078

SHENANDOAH ENERGY, INC.

TYPICAL RIG LAYOUT

RED WASH #42-29B

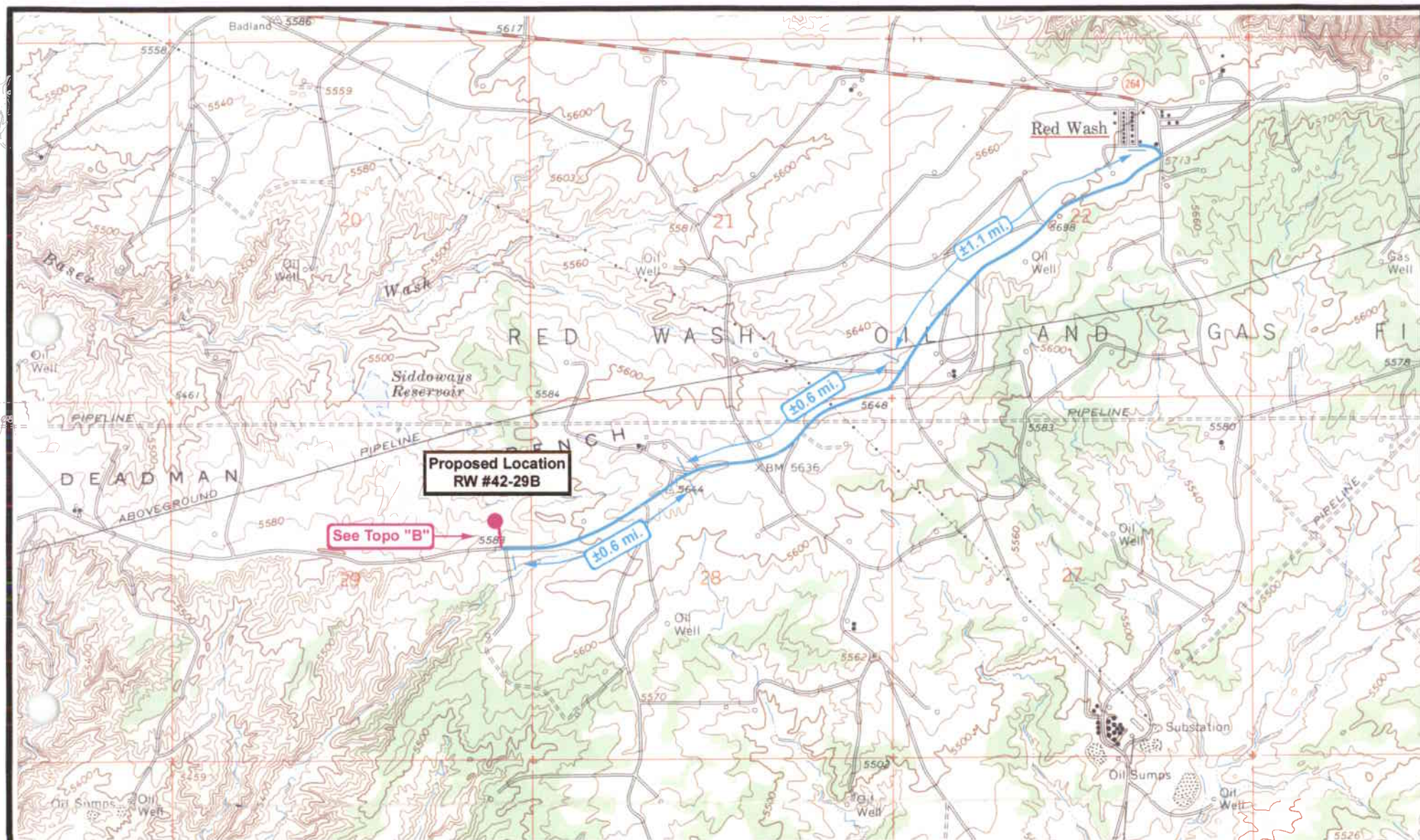


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NOV 21 2000

DIVISION OF
OIL, GAS AND MINING

Tri State
Land Surveying, Inc.
(435) 781-2501
38 WEST 100 NORTH, VERNAL, UTAH 84078

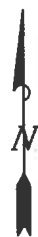


SH ENANDOAH ENERGY INC.

RED WASH #42-29B

SEC. 29, T7S, R23E, S.L.B.&M.

TOPOGRAPHIC MAP "A"



Drawn By: bgm

Revision:

Scale: 1" = 2000'

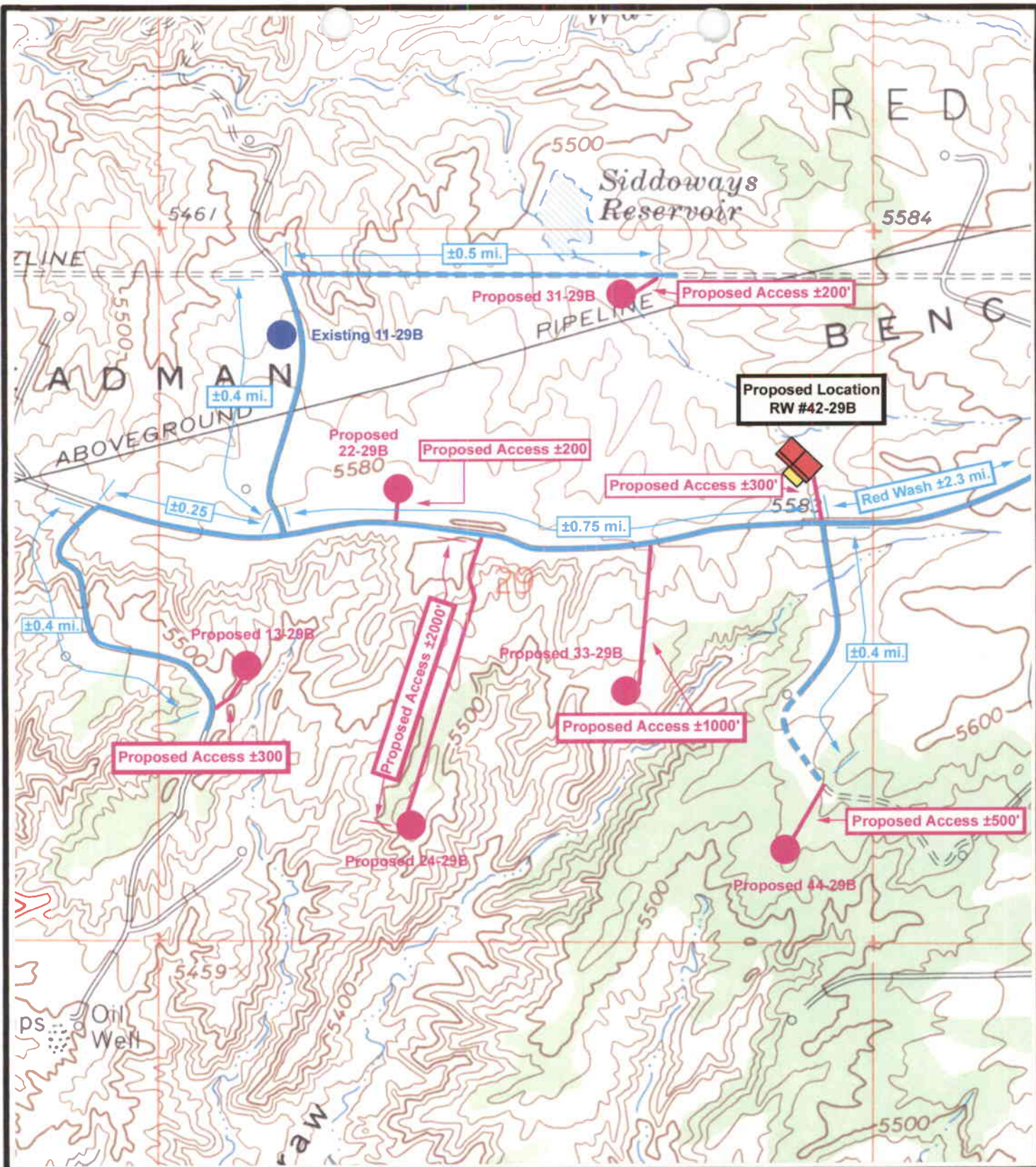
File:

Date: 11-06-2000

Tri-State Land Surveying Inc.

P.O. Box 533, Vernal, UT 84078

4 35-781-2501 Fax 435-781-2518



SHENANDOAH ENERGY INC.

RED WASH #42-29B

SEC. 29, T7S, R23E, S.L.B.&M.

TOPOGRAPHIC MAP "B"



Drawn By: bgm

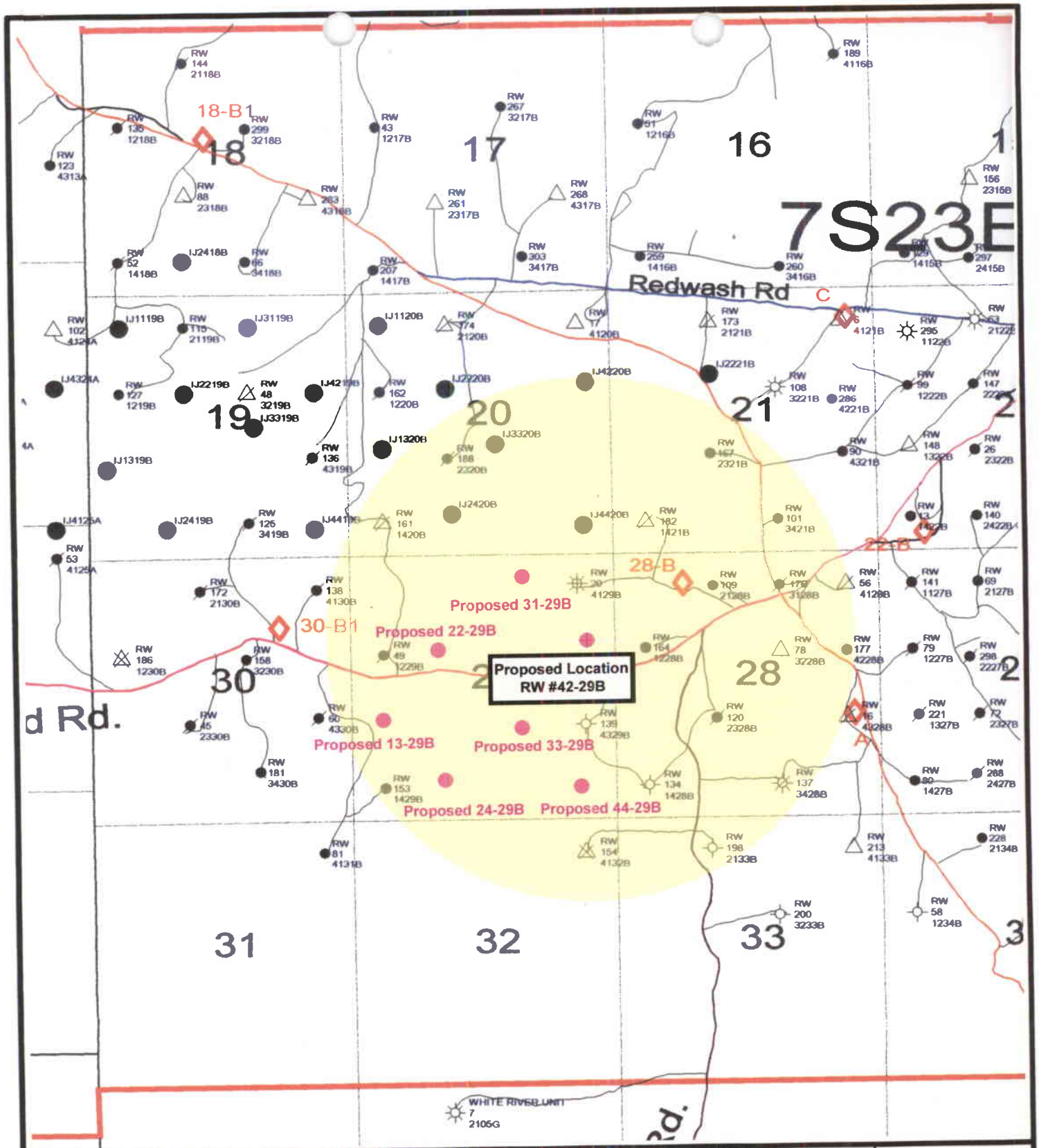
Revision:

Scale: 1" = 1000'

File:

Date: 11-03-2000

Tri-State Land Surveying Inc.
P.O. Box 533, Vernal, UT 84078
435-781-2501 Fax 435-781-2518



SHENANDOAH ENERGY INC.

RED WASH #42-29B

SEC. 29, T7S, R23E, S.L.B.&M.

TOPOGRAPHIC MAP "C"



Drawn By: bgm

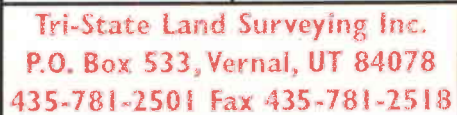
Revision:

Scale: 1" = 2000'

File:

Date: 11-03-2000

Tri-State Land Surveying Inc.
P.O. Box 533, Vernal, UT 84078
435-781-2501 Fax 435-781-2518



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 11/21/2000

API NO. ASSIGNED: 43-047-33770

WELL NAME: RWU 42-29B

OPERATOR: SHENANDOAH ENERGY INC (N4235)

CONTACT: JOHN BUSCH

PHONE NUMBER: 435-781-4341

PROPOSED LOCATION:

SENE 29 070S 230E

SURFACE: 1755 FNL 0593 FEL

BOTTOM: 1755 FNL 0593 FEL

UINTAH

RED WASH (665)

LEASE TYPE: 1-Federal

LEASE NUMBER: U-02025

SURFACE OWNER: 1-Federal

PROPOSED FORMATION: GRRV

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. UT-0969)
☒ Potash (Y/N)
☒ Oil Shale (Y/N) *190-5 (B) or 190-3
☒ Water Permit
(No. 43-8496)
☒ RDCC Review (Y/N)
(Date: _____)
☒ Fee Surf Agreement (Y/N)

LOCATION AND SITING:

☐ R649-2-3. Unit RED WASH
☐ R649-3-2. General
☒ Siting: 460 From Qtr/Qtr & 920' Between Wells
☒ R649-3-3. Exception
☐ Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
☐ R649-3-11. Directional Drill

COMMENTS: Red Wash SOP, separate file.

STIPULATIONS: FEDERAL APPROVAL



COUNTY:UINTAH UNIT: RED WASH
SPACING: R649-3-2 & R649-3-3



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

November 29, 2000

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2000 Plan of Development Red Wash Unit,
Uintah County, Utah.

Pursuant to email between Lisha Cordova, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management. The following wells are planned for calendar year 2000 within the Red Wash Unit, Uintah County, Utah.

Api Number	Well	Location
(Proposed Green River Completions)		
43-047-33764	RWU 13-29B	Sec. 29, T7S, R23E 2040 FSL 0673 FWL
43-047-33765	RWU 22-13A	Sec. 13, T7S, R22E 2600 FNL 1866 FWL *
43-047-33766	RWU 22-29B	Sec. 29, T7S, R23E 1874 FNL 1820 FWL
43-047-33767	RWU 22-30B	Sec. 30, T7S, R23E 1896 FNL 1891 FWL
43-047-33768	RWU 31-29B	Sec. 29, T7S, R23E 0481 FNL 1873 FEL
43-047-33769	RWU 41-24A	Sec. 24, T7S, R22E 0095 FNL 0659 FEL
43-047-33770	RWU 42-29B	Sec. 29, T7S, R23E 1755 FNL 0593 FEL
43-047-33771	RWU 42-30B	Sec. 30, T7S, R23E 2249 FNL 0497 FEL
43-047-33772	RWU 44-30B	Sec. 30, T7S, R23E 0586 FSL 0542 FEL

* Well currently not within an existing participating area

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File - Red Wash Unit
Division of Oil Gas and Mining
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:11-29-0



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

December 6, 2000

Shenandoah Energy, Inc.
11002 E 17500 S
Vernal, UT 84078

Re: Red Wash Unit 42-29B Well, 1755' FNL, 593' FEL, SE NE, Sec. 29, T. 7 South,
R. 23 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-33770.

Sincerely,

John R. Baza
Associate Director

er

Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: Shenandoah Energy, Inc.
Well Name & Number Red Wash Unit 42-29B
API Number: 43-047-33770
Lease: U-02025

Location: SE NE **Sec.** 29 **T.** 7 South **R.** 23 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.

5. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

SHENANDOAH ENERGY INC.

11002 East 17500 South
Vernal, UT 84078
Phone: (435) 781-4300
Fax (435) 781-4329

December 4, 2000

Division of Oil, Gas & Mining
1594 W. N. Temple STE 1210
Salt Lake City, UT 84114-5801

To Whom It May Concern:

Shenandoah Energy Inc. Red Wash Unit #42-29B is an exception location due to severe topography. This lease #(U-02025) is under the Red Wash Unit Agreement and all owners are committed under the Unit Agreement.

There are no additional lease owners within 460' of this proposed well. If you have any question please contact Raleen Searle @ (435) 781-4309.

Thank you,



Raleen Searle
Administrative Assistant

RECEIVED

DEC 06 2000

DIVISION OF
OIL, GAS AND MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒ **DEEPEN** ☐

b. TYPE OF WELL

OIL WELL ☒ **GAS WELL** ☐ **OTHER** ☐ **SINGLE ZONE** ☒ **MULTIPLE ZONE** ☐

2. NAME OF OPERATOR

Shenandoah Energy Inc.

3. ADDRESS AND TELEPHONE NO. Phone: 435-781-4341
Fax: 435-781-4329

11002 East 17500 South
Vernal, Utah 84078

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

593' FEL, 1755' FNL, SENE

At proposed prod. Zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

2 miles South West of Redwash Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.

593' ±

(Also to nearest comp. Unit line if any)

16. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETES, OR APPLIED FOR ON THIS LEASE, FT.

1000' ±

15. NO. OF ACRES IN LEASE

1920

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

18. PROPOSED DEPTH

5764'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether BF, RT, GR, etc.)

5557.7'

22. APPROX. DATE WORK WILL START*

A.S.A.P

23. PROPOSED CASING AND CEMENTING PROGRAM

REFER TO S.O.P

Shenandoah Energy Inc. proposes to drill a well to 5764' to test the Green River. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements.

Operations will be according to the Standard Operating Procedures for the Redwash Unit, Wasatch Valley Federal Unit and surrounding areas Green River Wells.

See Onshore Order No. 1 attached.

Please be advised that Shenandoah Energy Inc. is considered to be the operator of the above mentioned well. Shenandoah Energy Inc. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond coverage for this well is provided by Bond No. 0969. The principal is Shenandoah Energy Inc. via surety as consent as provided for in 43 CFR 3104.2.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program if any.

24

SIGNED

John Busch

John Busch

TITLE Red Wash Operations Representative

DATE 11/16/00

(This space for Federal or State office use)

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

Thomas R. Chang

TITLE

Assistant Field Manager
Mineral Resources

DATE

04/17/2001

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

006m

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Shenandoah Energy, Inc.

Well Name & Number: RWU #42-29B

API Number: 43-047-33770

Lease Number: U - 02025

Location: SENE Sec. 29 T. 7S R. 23E

Agreement: Red Wash GR UNIT

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. **DRILLING PROGRAM**

1. **Casing Program and Auxiliary Equipment**

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the shallowest potential productive zone.

**SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

-Access roads and surface disturbing activities will conform to standards outlined in the Bureau of Land Management and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development, (1989).

The road shall be constructed/upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Construction/upgrading shall include ditching, draining, and crowning (2 to 3%). Graveling or capping the roadbed will be required as necessary to provide a well constructed safe road. Prior to construction/upgrading, the proposed road surface or existing road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot right-of-way will not be allowed. Should mud holes develop, they shall be filled in to prevent detours. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainage be blocked by the roadbed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. When snow is removed from the road during the winter months, the snow shall be pushed outside of the burrow ditches and the turn outs shall be kept clear so that when the snow melts the water will be channeled away from the road.

Shenandoah Energy will control noxious weeds along the right-of-way for roads, pipelines, well sites or other applicable facilities. If noxious weeds spread from disturbed areas onto adjoining lands, Shenandoah shall be responsible for control of the infestation. A list of noxious weeds may be obtained from the BLM, or the appropriate County Extension Office. On BLM administered land, it is required that a Pesticide Use Proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.

If cultural resources or paleontological resources are found, the BLM Authorized Officer shall be notified. Procedures described in the Standard Operating Practices for Red Wash Unit Green River Formation Wells will be followed as such finds are evaluated.

A Burrowing Owl Inventory must be conducted by a qualified biologist to determine if any Burrowing Owls are present in the vicinity before allowing any construction and drilling activities of this project to begin during the breeding season April 10 through August 15. If Burrowing Owls are present in the vicinity, no construction and drilling of this location shall take place during the Burrowing Owl breeding season of April 10 through August 15 in order to limit impacts to owl habitat.

The reserve pit does not need a liner unless blasting is required.

An 18 inch culvert shall be installed on the access road where the road crosses the wash.

The topsoil shall be windrowed on the northwest side of the location near corner 6 and on the southeast near corner 2 as listed on the APD layout diagram. A ditch shall be constructed east

of the location and topsoil storage areas to channel runoff water from the access road to the drainage which runs north of the location.

Two small water diversion dams will be constructed on the south side of the location in the drainages which run onto the location. The dam furthest to the east shall be ditched with its overflow into the other dam and a drainage ditch shall be constructed from that dam around the west side of the location and into the existing drainage north of the location.

Four to six inches of topsoil shall be stripped from the location and windrowed as shown on the cut sheet. This topsoil shall be broadcast seeded with the recommended seed mix immediately after it has been windrowed and the seed walked in to the soil with a dozer.

The topsoil from the reserve pit shall be stripped and piled separately near the reserve pit. When the reserve pit is closed, it shall be recontoured and the topsoil respread; then the area shall be seeded in the same manner as the topsoil.

When the location is plugged and abandoned, it shall be recontoured to natural contours, topsoil respread, and the entire location seeded with the recommended seed mix.

Seeding can be done by drilling the seed or by broadcasting the location and walking it in with a dozer. Seeding shall take place immediately after the dirt work is completed.

The following seed mix shall be used to seed the topsoil pile, reserve pit and for final abandonment of the location:

Fourwing saltbush	Atriplex canescens	4 lbs/acre
Gardner saltbush	Atriplex gardneri	4 lbs/acre
Shadscale	Atriplex confertifolia	4 lbs/acre

All poundages are in pure live seed.

When installing the surface pipeline bundle, the pipelines shall be welded on location and dragged into place using a dozer or backhoe. The bundling crew shall then make one pass along the pipeline staying on the pipeline route or roads located in the area.

When installing the powerpoles and lines, vehicles shall stay on the flagged route, existing roads, or other previously disturbed areas.

Unless otherwise agreed to by the authorized officer in writing, powerlines shall be constructed in accordance with standards outlined in "Suggested Practices for Raptor Protection on Powerlines", (Raptor Research Foundation, Incorporated, 1981). Shenandoah shall construct the powerline in accordance with those standards or Shenandoah shall assume the burden and expense of proving pole designs not shown in the above publication are "eagle safe". Such proof shall be provided by a raptor expert approved by the authorized officer. The BLM reserves the right to require modifications or additions to all powerline structures placed on this route authorization, should they be necessary to ensure the safety of large perching birds. Such modifications and/or additions shall be made by Shenandoah without liability or expense to the United States Department of the Interior.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Gas
☒ Well ☐ Well ☐ Other

CONFIDENTIAL

2. Name of Operator

SHENANDOAH ENERGY INC

3. Address and Telephone No

11002 E. 17500 S. VERNAL, UT 84078-8526

(801) 781-4341

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1755' FNL, 593' FEL SENE

T 07S R 23E SEC 29

5. Lease Designation and Serial No.

U-02025

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA, Agreement Designation

Red Wash Unit

8. Well Name and No.

RWU 42-29B

9. API Well No.

43-047-33770

10. Field and Pool, or Exploratory Area

RED WASH - GREEN RIVER

11. County or Parish, State

UINTAH, UTAH

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☒ Other APD Extension

☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note) Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

Shenandoah Energy Inc. hereby requests an 1 year extension on the RWU 42-29B.

COPY SENT TO OPERATOR

Date: 03-15-02

Initials: CHD

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 03-14-02

By: [Signature]

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MAR 14 2002

DIVISION OF
OIL, GAS AND MINING

14. I hereby certify that the foregoing is true and correct.

Signed JOHN BUSCH [Signature]

Title OPERATIONS REPRESENTATIVE

Date 2/28/02

(This space for Federal or State office use)

Approved by:

Title

Date

Conditions of approval, if any

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well	Oil <input type="checkbox"/> Gas <input type="checkbox"/>
	<input checked="" type="checkbox"/> Well <input type="checkbox"/> Well <input type="checkbox"/> Other
2. Name of Operator	SHENANDOAH ENERGY INC
3. Address and Telephone No	11002 E. 17500 S. VERNAL, UT 84078-8526 (801) 781-4341
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)	1755' FNL, 593' FEL SENE

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APR 23 2002

5. Lease Designation and Serial No.	U-02025
6. If Indian, Allottee or Tribe Name	N/A
7. If Unit or CA, Agreement Designation	Red Wash Unit
8. Well Name and No.	RWU 42-29B
9. API Well No.	43-047-33770
10. Field and Pool, or Exploratory Area	RED WASH - GREEN RIVER
11. County or Parish, State	UINTAH, UTAH

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input checked="" type="checkbox"/> Other <u>APD Extension</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note) Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work)

Shenandoah Energy Inc. hereby requests an 1 year extension on the RWU 42-29B.

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JUN 12 2002

DIVISION OF
OIL, GAS AND MINING

CONDITIONS OF APPROVAL ATTACHED

14. I hereby certify that the foregoing is true and correct.
Signed JOHN BUSCH John Busch Title OPERATIONS REPRESENTATIVE Date 4-22-02

(This space for Federal or State office use)

Approved by: Kirk F. Hunsaker Title Petroleum Engineer Date 6/5/02

Conditions of approval, if any

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See instruction on Reverse Side

DOGm

Shenandoah Energy Inc.
APD Extension

Well: RWU 42-29B

Location: SENE Sec 29 T7S, R23E

Lease: U-02025

CONDITIONS OF APPROVAL

An extension for the referenced APD is granted with the following conditions:

1. The extension will expire 4/17/03
2. No other extensions beyond that time frame will be granted or allowed.

If you have any other questions concerning this matter, please contact Kirk Fleetwood of this office at (435) 781-4486

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JUN 12 2002

**DIVISION OF
OIL, GAS AND MINING**

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. U-02025
2. Name of Operator SHENANDOAH ENERGY INC.		6. If Indian, Allottee or Tribe Name
3a. Address 11002 EAST 17500 SOUTH VERNAL, UT 84078		7. If Unit or CA/Agreement, Name and/or No. RED WASH UNIT
3b. Phone No. (include area code) Ph: 435.781.4309 Fx: 435.781.4329		8. Well Name and No. RED WASH 42-29B
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) Sec 29 T7S R23E SENE 1755FNL 593FEL		9. API Well No. 43-047-33770
		10. Field and Pool, or Exploratory RED WASH
		11. County or Parish, and State UINTAH COUNTY, UT

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Shenandoah Energy Inc. hereby requests an one year extension on the APD for the RW 42-29B.

Approved by the
Utah Division of
Oil, Gas and Mining

COPY SENT TO OPERATOR
Date: 03-31-03
Initials: CMB

Date: 03-31-03
By: [Signature]

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MAR 27 2003

DIV OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct. Electronic Submission #19953 verified by the BLM Well Information System For SHENANDOAH ENERGY INC., will be sent to the Vernal	
Name (Printed/Typed) RALEEN SEARLE	Title REGULATORY AFFAIRS ANALYST
Signature [Signature]	Date 03/25/2003

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____	Title _____	Date _____
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.		Office _____

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**** DRAFT ** DRAFT ** DRAFT ** DRAFT ** DRAFT ** DRAFT ** DRAFT ****



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office

170 South 500 East

Vernal, Utah 84078-2799

<http://www.blm.gov/utah/vernal>

Phone: (435) 781-4400

Fax: (435) 781-4410

IN REPLY REFER TO:

3160

UT08300

June 12, 2003

Raleen Searle
Shenandoah Energy Inc.
11002 East 17500 South
Vernal, UT 84078

Re: Notification of Expiration
Well No. RWU 42-29B
SENE, Sec. 29, T7S, R23E
Uintah County, Utah
Lease No. UTU-02025
Red Wash GR

Dear Raleen:

The Application for Permit to Drill the above-referenced well was approved on April 17, 2001. A one (1) year extension of the original APD was requested. The request was reviewed and the extension approved until April 17, 2003. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

Leslie Walker
Legal Instruments Examiner

cc: UDOGM – Diana Mason

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JUN 18 2003

DIV. OF OIL, GAS & MINING



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

June 19, 2003

Raleen Searle
Shenandoah Energy Inc.
11002 East 17500 South
Vernal, Utah 84078

Re: APD Rescinded – RWU 42-29B, Sec. 29, T.7S, R.23E – Uintah County, Utah,
API No. 43-047-33770

Dear Ms. Searle:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on December 6, 2000. On March 14, 2002 and on March 31, 2003 the Division granted a one-year APD extension. On June 12, 2003 the Division received a letter from the Bureau of Land Management (BLM), which states that the permit filed with the BLM was being returned. I contacted you at that time and you requested that the APD filed with the Division be rescinded. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective June 12, 2003, as requested.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason
Engineering Technician

cc: Well File
Bureau of Land Management, Vernal